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UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA
OAKLAND DIVISION

DONALD R. CAMERON, *et al.*,

Plaintiffs,

v.

APPLE INC.,

Defendant.

No. 4:19-cv-03074-YGR (TSH)

**DECLARATION OF RICHARD
CZESLAWSKI IN SUPPORT OF
DEVELOPER PLAINTIFFS'
MOTION FOR PRELIMINARY
APPROVAL OF CLASS ACTION
SETTLEMENT WITH APPLE INC.**

1. I am the Chief Operating Officer and President of Pure Sweat Basketball, Inc. (“Pure Sweat”), a class representative in the above-entitled action (the “Class Action”).

2. I submit this declaration in support of the Developer Class Plaintiffs’ Motion for Preliminary Approval of the proposed Class Action Settlement with Apple Inc., based on my personal, firsthand knowledge, and, if called and sworn a witness, I could and would testify competently thereto.

3. The proposed settlement agreement between Apple Inc. and the proposed Settlement Class (the “Agreement”) includes monetary and non-monetary relief for the benefit of the members of the Settlement Class as more fully set forth in the Agreement.

4. From Pure Sweat’s perspective, in addition to the monetary recovery, three of Apple’s commitments to the Settlement Class in the Agreement are particularly notable: (i) Apple’s commitment to maintain a commission rate of no greater than 15% for U.S. developers who are enrolled in Apple’s Small Business Program (“Reduced Commission”); (ii) Apple’s change in its policy to allow U.S. developers to communicate directly with customers using information obtained through their App or the App Store regarding alternative ways to purchase subscriptions and other in-app content (“Customer Communications”); and (iii) Apple’s addition of expanded price tiers for subscriptions, in-app purchases, and paid apps distributed through Apple’s App Store from the currently less than 100 price points to over 500 price points (“Price Points”).

5. First, under the Reduced Commission included in the Agreement, members of the Settlement Class would be given the benefit of a continued 50% reduction in Apple’s commission rate, from 30% to 15% for paid apps and in-app purchases, including subscriptions,

for at least three more years, subject to eligibility requirements under Apple's Small Business Program.

6. The Agreement thus furthers the substantial direct benefits of the Small Business Program to qualifying members of the Settlement Class by locking in the benefits of the Reduced Commission, from 30% to 15%, for at least three more years.

7. The Small Business Program and the 50% cut of Apple's commission for distribution of Apps and in-App content to 15% is a significant reduction for Pure Sweat and the Settlement Class.

8. When Apple announced its Small Business Program, I was proud, believing that the Class Action was a factor in this substantial change in Apple's commission rate structure. I am overwhelmed to know that through the Class Action we have been able to secure this reduction for at least three more years.

9. Second, Pure Sweat and members of the Settlement Class currently are prohibited by Apple's developer guidelines from using customer contact information that is obtained from the app, such as information that a customer provides when registering, to communicate, about alternative purchasing methods outside of Apple's in-app purchasing system. Our ability to effectively communicate with our customers is the lifeblood of our business. Under the proposed Agreement, Pure Sweat and members of the Settlement Class will for the first time be permitted to use such customer information to communicate directly with customers about alternative purchasing methods. This change is very valuable to us.

10. For Pure Sweat, much of the App users customer information it has access to is obtained when a customer subscribes to its digital app content, which means that Pure Sweat is

effectively prohibited from communicating with its customers—by any means—about alternative, less expensive means to subscribe outside of Apple’s in-app system.

11. The current prohibition on Customer Communications, together with Apple’s commission rates, have added to the substantial cost of distributing through Apple’s App Store, as we are currently blocked from informing customers that they can subscribe for our app digital content outside of Apple’s in-app purchasing system to avoid paying Apple’s commission.

12. The ability to initiate Customer Communications is a game changer for a company like Pure Sweat. I anticipate that Pure Sweat, just like other members of the Settlement Class, will promptly take full advantage of this change in Customer Communications as a way to further reduce the commissions paid to Apple for distribution of in-app content.

13. Third, Apple’s agreement to expand the choice of price points for subscriptions, in-app purchases, and paid apps from fewer than 100 to more than 500 will free Pure Sweat from the current pricing restrictions that Apple has imposed since the launch of the App Store.

14. The more than five-fold increase in price tiers will allow Pure Sweat the flexibility to competitively price its subscriptions, and, thus, allow it to better react to market trends and conditions, compete for new customers, retain current customers by, among other things, offering customers plans that suit their specific needs.

15. In all, the Agreement will provide substantial benefits to Pure Sweat and members of the Settlement Class, particularly Apple’s commitment to maintain those benefits for at least three additional years. For these reasons, Pure Sweat proudly supports the Settlement.

16. I declare under penalty of perjury under the law of the United States of America that the foregoing is true and correct. Executed on this 26th day of August, 2021 at Crystal Lake, Illinois.

A handwritten signature in black ink, appearing to read 'Richard Czeslawski', is written over a solid horizontal line.

Richard Czeslawski